



Official Committee of Equity Security Holders of
USA Capital Diversified Trust Deed Fund, LLC
1112 Worthen Circle
Las Vegas, NV 89145
Attn: Robert G. Worthen
Chair

August 24, 2006
Client No. 17908
Invoice No. 1027700

Orrick Contact: Marc A. Levinson

FOR SERVICES RENDERED through July 31, 2006 in connection with
the matters described on the attached pages:

\$ 225,438.00

DISBURSEMENTS as per attached pages:

4,165.35

TOTAL CURRENT FEES & DISBURSEMENTS (Pay this Amount):

\$ 229,603.35

Matter(s): 17908/2 – USA Capital Diversified Trust Fund Commi

DUE UPON RECEIPT

In order to ensure proper credit to your account,
please reference your **INVOICE** and **CLIENT** numbers on your remittance.
For inquiries, call: (304) 231-2701. Fax (304) 231-2501.

REMITTANCE COPY - PLEASE RETURN WITH PAYMENT

REMITTANCE ADDRESS:

*Orrick, Herrington & Sutcliffe LLP
File 72887 P.O. Box 61000
San Francisco, CA 94161-2887
Reference: 17908/ Invoice: 1027700
E.I.N. 94-2952627*

OVERNIGHT DELIVERY:

*Orrick, Herrington & Sutcliffe LLP
c/o Bank of America, File #72887
1455 Market Street, 21st Floor
San Francisco, CA 94103
(415) 436-4300*

ELECTRONIC FUNDS

TRANSFERS:

Wire Transfers Only:

ABA Number 0260-0959-3

*Bank of America
100 West 33rd Street, NY, NY 10001
Account of*

*Orrick, Herrington & Sutcliffe LLP
Account Number: 1499-4-10382
Reference: 17908/ Invoice: 1027700
E.I.N. 94-2952627*

ELECTRONIC FUNDS

TRANSFERS:

ACH Transfers Only:

ABA Number 121-000358

*Bank of America
San Francisco Main Branch
Account of*

*Orrick, Herrington & Sutcliffe LLP
Account Number: 1499-4-10382
Reference: 17908/ Invoice: 1027700
E.I.N. 94-2952627*



O R R I C K

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 1112 Worthen Circle
 Las Vegas, NV 89145
 Attn: Robert G. Worthen
 Chair

August 24, 2006
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Orrick Contact: Marc A. Levinson

For Legal Services Rendered Through July 31, 2006 in Connection With:

Matter: 2 - USA Capital Diversified Trust Fund Committee

PHASE B100 – ADMINISTRATION

Task B110 – Case Administration

| | | | | |
|----------|-------------|---|------|--------|
| 07/01/06 | M. Levinson | Review numerous email memoranda from the prior week in preparation for next week (.40); review the proposed form of order approving continued use of cash through August 6th, review the E. Karasik and A. Loraditch comments thereto and send a brief follow-up email memorandum to E. Karasik (.20); email memorandum to all hands with my comments to the draft order (.20). | 0.80 | 448.00 |
| 07/03/06 | M. Levinson | Review the draft four-committee due diligence request sent by C. Pajak and the A. Loraditch comments to the same (.40); initial review of the C. Carlyon revised draft thereof (.20); telephone conversation with A. Loraditch re next steps with respect to the same and re case administration matters (.20); telephone conversation with S. Strong re a number of case status matters (.10). | 0.90 | 504.00 |
| 07/05/06 | M. Levinson | Review a series of C. Carlyon and A. Landis email memoranda re details about the upcoming 341 meeting. | 0.10 | 56.00 |
| 07/05/06 | L. Ernce | Review series of email exchanges re due diligence request list to debtors. | 0.20 | 93.00 |
| 07/05/06 | M. Levinson | Review C. Carlyon and R. Charles proposed changes to the omnibus document production request (.20); review a series of C. Harvick and J. Hermann follow-up email memoranda re the document production request (.20). | 0.40 | 224.00 |



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|----------|-------------|--|------|--------|
| 07/06/06 | M. Levinson | Review G. Gordon and A. Landis email memoranda re arrangements for next week's 341 meeting. | 0.10 | 56.00 |
| 07/06/06 | L. Ernce | Telephone conference with A. Parlen re status of joint defense/common interest agreement. | 0.10 | 46.50 |
| 07/06/06 | L. Ernce | Review email from A. Parlen re status of signature on stipulation re revised briefing schedule for July 25 hearing and telephone conference with A. Parlen re same (.10); revise and sign stipulation (.10); review and sign stipulation continuing hearing and briefing on interim fee procedures motion (.10). | 0.30 | 139.50 |
| 07/06/06 | L. Ernce | Telephone conference with S. Smith at FTI re status of M. Tucker signature on joint defense agreement and email to S. Smith re same. | 0.10 | 46.50 |
| 07/06/06 | L. Ernce | Exchange email with A. Loraditch re case administration matters related to electronic notices. | 0.10 | 46.50 |
| 07/07/06 | L. Ernce | Email memo to A. Loraditch re joint defense agreement. | 0.10 | 46.50 |
| 07/08/06 | M. Levinson | Review countless email memoranda from last week covering a wide range of topics in preparation for the upcoming week, including the July 10th all-hands call, the July 10th Diversified Committee conference call and the July 11th all-hands meeting in Las Vegas. | 0.80 | 448.00 |
| 07/10/06 | M. Levinson | Telephone conversation with A. Loraditch re upcoming meetings and next steps. | 0.10 | 56.00 |
| 07/10/06 | L. Ernce | Conference call with Diversified professionals team in advance of weekly conference call (.70); review next version of document request and due diligence list from C. Pajak (.20); review email from M. Schmahl re G. Kantor's signed confidentiality agreement and review M. Levinson response (.10); draft email memo to debtors' counsel re G. Kantor's signature on confidentiality agreement and his intent to attend tomorrow's meetings (.10); review email from C. Pajak to debtors' counsel with final version of due diligence list and follow-up emails re same (.20). | 1.30 | 604.50 |



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| 07/10/06 | J. Hermann | Review and analysis of due diligence list and consideration and analysis of whether additional categories should be added. | 0.40 | 228.00 |
| 07/11/06 | M. Levinson | Two lengthy voicemail messages to A. Loraditch re tomorrow's 341 meeting. | 0.10 | 56.00 |
| 07/11/06 | L. Ernce | Review draft proposed order canceling proof of claim deadlines. | 0.10 | 46.50 |
| 07/12/06 | M. Levinson | Two voicemail messages to A. Loraditch re the upcoming 341 meeting and review A. Loraditch email memorandum re the same (.10); portion of the very long telephone conversation with J. Hermann, L. Ernce and A. Loraditch devoted to case administration and status matters (.30). | 0.40 | 224.00 |
| 07/12/06 | L. Ernce | Review electronic notices (.10); review draft stipulation extending time for response to cash management motion and related emails (.20). | 0.30 | 139.50 |
| 07/12/06 | L. Ernce | Exchange emails with A. Parlen re status of joint defense/common interest agreement. | 0.10 | 46.50 |
| 07/13/06 | M. Levinson | Voicemail message from and telephone conversation with S. Strong re the debtors providing certain DTDF documents to third parties (.10); initial review of L. Schwartzer email memorandum re the status of various proposed forms of order and initial review of prior email memoranda re such orders (.20); review A. Landis response to the L. Schwartzer email memorandum and review the various signed orders attached to such response (.10). | 0.40 | 224.00 |
| 07/13/06 | L. Ernce | Review multiple electronic filing notices received today (.20); review next version of stipulation extending time to response to cash management motion and distribution motion (.10). | 0.30 | 139.50 |
| 07/14/06 | L. Ernce | Attention to case administration matters. | 0.30 | 139.50 |
| 07/15/06 | M. Levinson | Review the several drafts of the order approving the use of cash through August 6th, review various email memoranda re the same, and email L. Schwartzer, E. Karasik and others re the same and re next steps (.20); review the draft order extending the response date with respect to the distribution and use of cash motions and email to all hands with my thoughts on the same (.20). | 0.40 | 224.00 |



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| 07/16/06 | M. Levinson | Review the final version of the all-committees' request for production of documents and forward the same to C. Harvick and M. Tucker under cover of an email memorandum. | 0.20 | 112.00 |
| 07/17/06 | M. Levinson | Review E. Karasik, G. Gordon, R. Charles and other email memoranda re the form of order extending the time to respond to the various motions to be heard on August 4th and exchange a series of email memoranda with L. Ernce re the Diversified Committee's approval of the same. | 0.20 | 112.00 |
| 07/17/06 | L. Ernce | Review detailed voicemail from M. Levinson and email from M. Levinson re case status matters (.10); review multiple electronic notices (.20). | 0.30 | 139.50 |
| 07/17/06 | L. Ernce | Review emails and revised draft stipulation extending time for responses to matters on calendar for August 4 (.10); email to M. Levinson re same and sign stipulation (.10). | 0.20 | 93.00 |
| 07/17/06 | L. Ernce | Review emails requesting status of debtors' response to joint committees' due diligence request and review latest version of request. | 0.20 | 93.00 |
| 07/17/06 | L. Ernce | Review online docket and calendar re July 25th hearing agenda and exchange emails with A. Loraditch re same. | 0.20 | 93.00 |
| 07/18/06 | M. Levinson | Email memorandum to M. Kehl re Orrick's past and projected fees in response to his email memorandum requesting such information for the budget, review A. Loraditch email memorandum to M. Kehl re the Beckley fees and M. Tucker email memorandum re the FTI fees (.20); review lengthy A. Loraditch email memorandum re the matters on calendar for July 25th (.10). | 0.30 | 168.00 |
| 07/19/06 | M. Levinson | Telephone conversation with M. Tucker and C. Harvick re sharing information with the USA Mortgage committee financial advisor (.10); telephone conversation with M. Tucker and A. Loraditch re the same (.20). | 0.30 | 168.00 |
| 07/20/06 | L. Ernce | Review electronic filing notices received today (.10); review notices of filing of pro hac vice applications for M. Levinson and L. Ernce and email to M. Levinson re same (.10); review A. Loraditch email re 2004 examination of T. Kehoe (.10). | 0.30 | 139.50 |



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|----------|-------------|--|------|--------|
| 07/20/06 | M. Levinson | Review A. Loraditch email memorandum re page limits on certain pleadings, email memorandum to the DTDF professionals re the same and exchange follow-up email memoranda with A. Loraditch re the same (.20); exchange email memoranda re issues raised by and responding to the motion to use cash (.10); review lengthy D. Cangelosi memorandum summarizing the 341 meeting and ruminating on various things (.10). | 0.40 | 224.00 |
| 07/21/06 | L. Ernce | Exchange emails with A. Loraditch and K. Neureiter re case administration matters related to electronic notices of filings and bankruptcy cases and division of labor to avoid duplication of efforts (.20); review multiple electronic notices received today (.30); review news article re debtors' distribution motion (.10); review email and report from D. Cangelosi re debtors' 341 meeting (.10); review news article re Hantges and emails re same (.20); review monthly operating reports filed by debtors yesterday and emails to financial advisors and legal team re same (.40); email to J. McPherson re apparent errors in docket entries and duplication of certain operating reports (.10). | 1.40 | 651.00 |
| 07/21/06 | M. Levinson | Review Las Vegas Review-Journal article on T. Hantges (.10); conference with L. Ernce re my conversation with E. Karasik, re the distribution motion and the response thereto, re the U.S. Trustee's opposition to the continued retention of Ray Quinney and re numerous other case administration matters (.30); telephone conversation with M. Tucker re much of the foregoing and re next steps (.20); review the debtors' pleading outlining the agenda for the July 25th omnibus hearing (.10). | 0.70 | 392.00 |



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|----------|-------------|--|------|--------|
| 07/24/06 | M. Levinson | Review the Las Vegas Review-Journal article on State of Nevada regulation of USA Capital and other private lenders and forward the same to the DTDF team of professionals (.10); conference with L. Ernce re numerous case administration matters (.10); telephone conversation with L. Ernce re her conversation with the First Trust Deed Fund professionals re the cash management motion and the interim compensation motion (.10); review lengthy L. Ernce email memorandum re the Standard Property Development motion for relief from stay, analysis re next steps and brief email memorandum to L. Ernce, M. Tucker and others re the same (.20); review lengthy L. Ernce email memorandum re her discussion earlier today with A. Parlen and C. Pajak re the interim fee procedures motion and the debtors' new budget (.10); review R. Charles and N. Tanner email memoranda re assisting the debtors in complying with the joint discovery request (.10); review lengthy M. Tucker email memorandum re today's call among the financial advisors and Mesirow re budget, distribution motion and other issues (.10). | 0.80 | 448.00 |
| 07/24/06 | L. Ernce | Conference with M. Levinson re case status matters and next steps (.10); review amended agenda for tomorrow's hearing and circulate same (.10). | 0.20 | 93.00 |
| 07/24/06 | L. Ernce | Review electronic notices; review notice of appointment of additional members to unsecured creditors committee; email to Diversified Committee professionals re same. | 0.20 | 93.00 |
| 07/25/06 | L. Ernce | Attend telephonically this morning's omnibus hearing (1.20); email memoranda to M. Levinson re conduct and outcome of hearing and next steps (.30). | 1.50 | 697.50 |
| 07/25/06 | J. Hermann | Participate in bankruptcy court hearings on various motions, including case status update, continued employment of debtors' professionals, form of order, etc. | 1.10 | 627.00 |



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|----------|-------------|--|------|--------|
| 07/26/06 | L. Ernce | Review electronic notices received today (.20); review news article re yesterday's hearings (.10); conference with M. Levinson re status matters (.10); telephone conference with K. Neureiter re case administration matters and her assumption of duties in my absence (.20). | 0.60 | 279.00 |
| 07/27/06 | L. Ernce | Telephone conference with K. Neureiter re various case administration matters in preparation for my absence next week. | 0.20 | 93.00 |
| 07/27/06 | L. Ernce | Exchange emails with A. Loraditch re Nevada local practice for pleadings and related matters. | 0.10 | 46.50 |
| 07/27/06 | L. Ernce | Review list of Diversified investors and modify Excel spreadsheet for use by Diversified professionals (.20); email to Diversified professionals re modified chart and related issues (.10). | 0.30 | 139.50 |
| 07/27/06 | M. Levinson | Review R. Charles email memorandum re expediting document production by the debtors in response to the joint request for production (.10); review the debtors' press release about the approval of the Investment Partners agreement (.10). | 0.20 | 112.00 |
| 07/28/06 | L. Ernce | Review electronic case notices received today. | 0.20 | 93.00 |
| 07/28/06 | L. Ernce | Review multiple special notice requests by L. Davis and exchange emails with A. Loraditch re same and related matters. | 0.10 | 46.50 |
| 07/28/06 | L. Ernce | Telephone conferences with K. Neureiter re case administration matters including reviewing and distributing notices and Diversified Committee website maintenance (.20); conference with and email memo to J. Pulliam re monitoring of Diversified email account (.10). | 0.30 | 139.50 |
| 07/28/06 | M. Levinson | Review R. Charles email memorandum to A. Jarvis asking about the debtors' intentions with respect for the motion for relief from stay by R. Weddell and Spectrum Financial and review the L. Schwartzer response thereto. | 0.10 | 56.00 |
| 07/29/06 | M. Levinson | Re-review, and, in some cases, review, countless email sent and received during the past week in preparation for the upcoming week, including those relating to the matters to be discussed during the July 31st weekly all-hands call and those matters on calendar for August 4th. | 1.60 | 896.00 |



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|----------|--------------|--|------|-------|
| 07/31/06 | K. Neureiter | Review various notices of filings throughout day for L. Ernce. | 0.20 | 75.00 |
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| <i>B110 – Case Administration Total</i> | | | 20.60 | 10,602.00 |
|---|--|--|-------|-----------|

Task B120 – Asset Analysis and Recovery

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|----------|-------------|---|------|--------|
| 07/01/06 | M. Levinson | Review J. Hermann, J. Gordon and S. Ostrow comments to the proposed Investment Partners order and exchange several follow-up email memoranda with J. Hermann re the same and re next steps. | 0.20 | 112.00 |
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| 07/02/06 | M. Levinson | Careful review and analysis of the collateral chart prepared by C. Harvick and J. Hermann, interlineating my comments thereto (.80); review G. Gordon email memorandum containing his comments to the proposed Investment Partners order and email memorandum to J. Hermann re the same (.10). | 0.90 | 504.00 |
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|----------|-------------|--|------|--------|
| 07/03/06 | M. Levinson | Telephone conversation with J. Hermann re various of the DTDF loans and the collateral for such loans (.20); exchange email memoranda with J. Hermann re the most recent DTDF prospectus, and email memorandum to E. Karasik forwarding her the June 2003 prospectus (.10); further attention to, analysis of and revisions to the collateral chart, and voicemail message and email memorandum to C. Harvick re the same (.40); review the next round of lengthy G. Gordon and J. Hermann email memoranda re the form of Investment Partners order (.10). | 0.80 | 448.00 |
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| 07/03/06 | J. Hermann | Participate in exchange of email correspondence with G. Gordon and others regarding issues in connection with Investment Partners pledge agreement order and analysis of issues raised therein. | 0.70 | 399.00 |
|----------|------------|---|------|--------|

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| 07/03/06 | J. Hermann | Review and revise form of order on Investment Partners security agreement motion and review and analyze of file materials and transaction documents in connection with the same. | 0.60 | 342.00 |
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|----------|-------------|--|------|--------|
| 07/05/06 | M. Levinson | Telephone conversation with C. Harvick re investor statements and the distribution motion and re updating the chart of Diversified Fund collateral (.10); voicemail message from I. Kharasch, counsel to R. Ashby, and review the collateral chart re the various loans to R. Ashby entities in light of the same (.20); voicemail message to I. Kharasch re the same and send follow-up email memoranda to I. Kharasch and J. Hermann (.10); telephone conversation with I. Kharasch re arranging a meeting with R. Ashby and his counsel and re related matters (.30); telephone conversation with J. Hermann re the same (.10). | 0.80 | 448.00 |
| 07/06/06 | J. Hermann | Prepare further revised order approving Investment Partners motion and participate in exchange of multiple email correspondence regarding the same. | 0.80 | 456.00 |
| 07/06/06 | M. Levinson | Review a series of G. Gordon and J. Hermann email memoranda re the form of the Investment Partners order. | 0.10 | 56.00 |
| 07/07/06 | M. Levinson | Telephone conversation with J. Hermann re next steps with respect to the Ashby entities (.10); telephone conversation with L. Redman and J. Hermann re scheduling a meeting to discuss the Ashby loans (.20); series of brief follow-up email memoranda (.10); telephone conversation with R. Ashby's attorney, J. Mahoney (.20); lengthy email memorandum to T. Allison and A. Jarvis re the calls and re scheduling a meeting for July 13th (.30); telephone conversation with J. Hermann re the Investment Partners form of order and review several email memoranda re the same (.20). | 1.10 | 616.00 |
| 07/07/06 | J. Hermann | Telephone conference with M. Levinson regarding meeting with R. Ashby and calls to Pachulski, Stang and R. Ashby regarding the same. | 0.20 | 114.00 |
| 07/09/06 | M. Levinson | Follow-up email memorandum to A. Jarvis and T. Allison re arranging a meeting with L. Redman for July 13th, and follow-up email memorandum to the Diversified Committee professionals re the same and related matters. | 0.20 | 112.00 |



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|----------|-------------|--|------|--------|
| 07/10/06 | M. Levinson | Review loan statistics provided by Mesirow and telephone conversation with J. Hermann re the same (.20); review a series of E. Karasik, G. Gordon and J. Hermann email memoranda re the form of Investment Partners order (.10). | 0.30 | 168.00 |
| 07/10/06 | J. Hermann | Review and analysis of email and form of revised order approving Investment Partners security agreement motion. | 0.20 | 114.00 |
| 07/10/06 | J. Hermann | Participate in exchange of email correspondence regarding form of order on Investment Partners security agreement motion and preparation of revisions to form of order. | 0.80 | 456.00 |
| 07/10/06 | J. Hermann | Participate in exchange of email correspondence regarding form of order approving security agreement with Investment Partners and review and analysis of file materials in connection with the same. | 0.40 | 228.00 |
| 07/10/06 | L. Ernce | Review draft Investment Partners order and follow up emails re language of same (.10); review next version of Investment Partners order (.10). | 0.20 | 93.00 |
| 07/11/06 | L. Ernce | Review M. Levinson email re distribution motion issues (.10); review emails re status of attempts to set up meetings with Ashby representatives and related matters (.10). | 0.20 | 93.00 |
| 07/11/06 | L. Ernce | Review M. Tucker email and portions of debtors' loan statements and summary for Diversified Fund. | 0.30 | 139.50 |
| 07/11/06 | J. Hermann | Participate in exchange of email correspondence regarding Sheraton Hotel loan and possible source of recovery for the same and review and analysis of transaction documents in connection with the same. | 0.90 | 513.00 |
| 07/12/06 | L. Ernce | Review order on Investment Partners motion. | 0.10 | 46.50 |
| 07/13/06 | L. Ernce | Review emails re form of Investment Partners order. | 0.10 | 46.50 |
| 07/14/06 | L. Ernce | Review email and report on Ashby loans. | 0.20 | 93.00 |
| 07/15/06 | M. Levinson | Review a number of email memoranda re the status of the Investment Partners order and email memorandum to J. Hermann re the same. | 0.20 | 112.00 |



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| 07/16/06 | M. Levinson | Review various email memoranda re the status of the Investment Partners order, exchange a series of email memoranda with J. Hermann re the same and review J. Hermann's email memorandum to all counsel re the form of order. | 0.20 | 112.00 |
| 07/17/06 | M. Levinson | Review a chain of email memoranda re today's draft of the Investment Partners order and email J. Hermann re finalizing and signing the same. | 0.10 | 56.00 |
| 07/18/06 | M. Levinson | Review lengthy M. Tucker email memorandum to T. Allison re the status of various assets or potential assets of the Diversified Fund, including matters relating to Epic, to the upcoming meeting with J. Milanowski, to D. Fogg issues, among others. | 0.10 | 56.00 |
| 07/19/06 | L. Ernce | Review debtors' latest loan funding summary. | 0.20 | 93.00 |
| 07/21/06 | J. Hermann | Initial review and analysis of DTDF financial statements received from C. Harvick. | 0.40 | 228.00 |
| 07/21/06 | J. Hermann | Review and analyze monthly operating reports as they bear upon loan repayments and levels of operating expenses. | 0.30 | 171.00 |
| 07/24/06 | L. Ernce | Review M. Tucker emails reporting on call regarding budget and other financial matters. | 0.20 | 93.00 |
| 07/25/06 | M. Levinson | Long telephone conversation with M. Tucker, C. Harvick and L. Ernce re the meeting this afternoon with J. Milanowski, T. Allison, A. Jarvis, J. Hermann and others during which they discussed recovering various assets. | 0.30 | 168.00 |
| 07/25/06 | L. Ernce | Telephone conference with M. Tucker, C. Harvick and M. Levinson re today's meeting with J. Milanowski re assets and related issues. | 0.30 | 139.50 |
| 07/25/06 | L. Ernce | Review latest loan summary report prepared by debtors; circulate to Diversified professionals. | 0.20 | 93.00 |
| 07/25/06 | J. Hermann | Review and analysis of areas of inquiry for discussion with J. Milanowski and conferences with M. Tucker and A. Jarvis regarding issues in connection with the same. | 0.60 | 342.00 |



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| 07/28/06 | L. Ernce | Review files and exchange emails with M. Tucker re June 30 investor statement for Diversified and telephone conference with M. Tucker re FTI preparing loan summary. | 0.30 | 139.50 |
| 07/31/06 | J. Hermann | Participate in exchange of email correspondence regarding collection of Diversified Fund loans and information bearing upon the same and review and analysis of file materials in connection with the same. | 0.40 | 228.00 |

B120 – Asset Analysis and Recovery Total 13.90 7,628.50

Task B130 – Asset Disposition & Sales

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|----------|-------------|---|------|----------|
| 07/12/06 | L. Ernce | Review revised order on Amesbury and Boise/Gowan motions. | 0.10 | 46.50 |
| 07/15/06 | M. Levinson | Review the several drafts of the order approving the sale of the Amesbury condominiums and the withdrawal of related motions, review various email memoranda re the same, sign a form of order and email it to all hands. | 0.20 | 112.00 |
| 07/25/06 | J. Hermann | Travel from bankruptcy court to USACM offices and participate in meeting with potential purchaser of assets regarding discussion of likely terms of such offer. | 1.80 | 1,026.00 |

B130 – Asset Disposition & Sales Total 2.10 1,184.50

Task B152 – Meetings & Communications with other Committees

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|----------|-------------|---|------|--------|
| 07/04/06 | M. Levinson | Review exchange of S. Strong and E. Karasik email memoranda re tomorrow's all-hands conference call. | 0.10 | 56.00 |
| 07/05/06 | M. Levinson | Long conference call among the debtors and the representatives of all four committees, including professionals (.80); follow-up telephone conversation with E. Karasik (.10). | 0.90 | 504.00 |
| 07/05/06 | L. Ernce | Participate in weekly telephone conference with debtors and other committees - topics included motion to distribute funds, investor statements, status of debtors' cash and DIP financing and other matters (.80); follow-up telephone call between debtors and two fund committees to discuss distribution of funds to investors in two funds and related matters (.20). | 1.00 | 465.00 |



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| 07/07/06 | M. Levinson | Telephone conversation with J. Davidson re possible next steps (.10); telephone conversation with E. Karasik re the same, re DIP financing issues and other matters (.20). | 0.30 | 168.00 |
| 07/10/06 | M. Levinson | Exchange a series of email memoranda with G. Garman, M. Tucker, J. Hermann and others re tomorrow's meeting (.20); conference call among all four committees and the debtors re the distribution, tomorrow's meeting and other matters (.50); telephone conversation with E. Karasik re the same and re next steps (.20). | 0.90 | 504.00 |
| 07/10/06 | L. Ernce | Attend weekly conference call meeting with debtors and other committees re various status matters and issues. | 0.50 | 232.50 |
| 07/10/06 | J. Hermann | Participate in weekly debtor-sponsored conference call involving all committees on various issues, including discussion of debtors' recently filed distribution motion. | 0.60 | 342.00 |
| 07/11/06 | M. Levinson | Travel to Las Vegas for all-hands meeting and prepare en route, including reviewing the interim distribution motion, the list of DTDF loans and collateral, the recent USA Mortgage press release re the distribution motion, the D. Cangelosi email memorandum re the same and other documents (2.50); meeting with M. Tucker in preparation for the meetings, with A. Loraditch and B. Olson for part (1.20); meeting at the Golden Nugget among the debtors' professionals, the professionals for all four committees and a number of members of the various committees during which we discuss the interim distribution motion, plan alternatives, monetization of assets, and many other topics (3.20); numerous follow-up meetings thereafter, including meetings with T. Allison, A. Jarvis, E. Karasik and others as well as meetings with members of the Diversified Committee (1.40); business portion of dinner meeting with E. Karasik, C. Pajak, R. Charles, M. Kvarda, M. Tucker and others, including two members of the First Trust Deed Committee, during which we discuss next steps in light of today's meetings (1.50). | 9.80 | 5,488.00 |



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| 07/12/06 | M. Levinson | Travel from Las Vegas to Sacramento, including meetings with M. Tucker en route to and at the airport concerning yesterday's meetings and numerous issues and follow-up matters, and including a review of documents on the airplane in preparation for next steps (2.50); voicemail message to S. Freeman and email memorandum to S. Freeman and R. Charles re scheduling a call for tomorrow and review S. Freeman email memorandum in response thereto (.10). | 2.60 | 1,456.00 |
| 07/13/06 | J. Hermann | Participate in conference call with counsel for unsecured creditors committee in order to coordinate response to distribution motion, to discuss substantive consolidation and recharacterization of direct lender claims, to discuss plan of reorganization issues and to discuss other broad themes in the case and possible outcomes. | 1.80 | 1,026.00 |
| 07/13/06 | M. Levinson | Very long telephone conversation with S. Freeman, R. Charles and J. Hermann re formulating a response to the distribution motion, re plan issues and re other strategic matters (1.80); telephone conversation with E. Karasik re the same and re scheduling a similar call tomorrow with her, and follow-up email memorandum to E. Karasik, S. Freeman and others re such call (.20). | 2.00 | 1,120.00 |
| 07/14/06 | M. Levinson | Long telephone conversation with S. Freeman, A. Parlen, S. Freeman, R. Charles and J. Hermann re the distribution motion, the promised additional financial data and formulating a coordinated response to the distribution motion (1.00); participate in an exchange of email memoranda with E. Karasik, A. Jarvis and others re the next all-committee conference call with the debtors (.20). | 1.20 | 672.00 |
| 07/14/06 | J. Hermann | Participate in conference call with First Trust Deed Fund Committee counsel and unsecured creditors committee counsel to discuss coordination of efforts in responding to distribution motion, timing and questions concerning financial information provided and to be provided by Mesirow in connection with the same, and various other related matters. | 1.00 | 570.00 |



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| 07/15/06 | M. Levinson | Email memorandum to all hands re the next weekly meeting and review brief R. Charles email in response. | 0.10 | 56.00 |
| 07/16/06 | M. Levinson | Review G. Gordon email memorandum re the upcoming call among the debtors and all committees. | 0.10 | 56.00 |
| 07/18/06 | M. Levinson | Telephone conversation with E. Karasik re yesterday's meeting with Fiesta Development, re the distribution motion and re other matters (.30); long telephone conversation with R. Charles re the same and re the proposed employment of Sierra Pacific as financial advisor to the unsecured creditors committee (.40). | 0.70 | 392.00 |
| 07/19/06 | M. Levinson | Participate in very long all-hands, all-committees conference call with the debtors re document production, privacy issues, fee application procedures, including allocation of the fees of the debtors' professionals, funding requests and the status of DIP financing and other matters (1.90); telephone conversation with E. Karasik and C. Pajak re the foregoing and re next steps (.50); review R. Charles follow-up email memoranda and attachments re the call and re document production (.20). | 2.60 | 1,456.00 |
| 07/21/06 | L. Ernce | Attend conference call with debtors, committees and financial advisors re debtors' distribution motion and related matters. | 1.00 | 465.00 |
| 07/21/06 | M. Levinson | Conference call re the distribution motion and other matters among professionals from the debtors and all four committees (1.00); exchange a series of brief follow-up email memoranda with E. Karasik re discussing next steps later today (.10); long telephone conversation with E. Karasik re a number of topics including the distribution motion, the interim fee procedures motion, the cash management motion and related budget issues, plan of reorganization issues and other matters (.50). | 1.60 | 896.00 |
| 07/24/06 | M. Levinson | Review pleading appointing four new members to the unsecured creditors committee. | 0.10 | 56.00 |



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|----------|-------------|---|------|--------|
| 07/26/06 | M. Levinson | Exchange a series of email memoranda with S. Strong and E. Karasik re scheduling and rescheduling this week's all-hands call (.10); telephone conversation with E. Karasik re a number of topics including her meetings yesterday in Las Vegas with the debtors and Plan Proponent No. 1 re interim compensation procedures, re the distribution motion and the responses thereto and re next steps (.50); long telephone conversation with S. Freeman, R. Charles, M. Tucker, T. Burr and E. Karasik (for part) re plan issues, the distribution motion and many other matters (1.00). | 1.60 | 896.00 |
| 07/27/06 | M. Levinson | Review A. Jarvis email memorandum with her proposed agenda for the upcoming call and analysis re agenda items (.10); long conference call with professionals for the debtors and for the four committees re the distribution motion, possible plan proposals and other matters (1.40). | 1.50 | 840.00 |
| 07/28/06 | M. Levinson | Review S. Freeman email memorandum re possible meeting among the professionals of the Diversified Committee and the unsecured creditors committee to discuss Investment Partners, the 10-90 loan, plan issues and other matters, and telephone conversation with S. Freeman re the same. | 0.30 | 168.00 |
| 07/31/06 | M. Levinson | Long conference call among professionals for the debtors and four committees re plan proposals, the debtors' compliance with the joint discovery request, the Fertitta funding proposal and other matters. | 0.60 | 336.00 |

B152 – Meetings & Communications with other Committees Total 32.90 18,220.50

Task B153 – Meetings & Communications with the Committee or members of the Committee

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|----------|-------------|--|------|--------|
| 07/02/06 | M. Levinson | Review and respond to J. McGimsey email memorandum re upcoming conference calls (.10); review and interlineate comments to the next draft of T. Eichar's memorandum re potential liability of committee members (.30). | 0.40 | 224.00 |
| 07/03/06 | M. Levinson | Review and interlineate today's draft of the memorandum re potential liability of committee members for negligence, and email memorandum to T. Eichar re making the final changes thereto. | 0.30 | 168.00 |



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|----------|-------------|--|------|--------|
| 07/05/06 | M. Levinson | Review R. Worthen and L. Ernce email memoranda re today's upcoming all-hands conference call, review prior email memoranda re the same and email T. Lawyer and J. McGimsey re the same (.20); review and respond to email memorandum from R. Mason, counsel to Diversified Committee ex officio member, G. Kantor (.10); review L. Ernce email memorandum to R. Worthen summarizing this morning's all-hands call (.10). | 0.40 | 224.00 |
| 07/05/06 | L. Ernce | Draft email memo to R. Worthen re upcoming committee meeting and review R. Worthen response. | 0.10 | 46.50 |
| 07/06/06 | M. Levinson | Review L. Ernce email memorandum to members of the Diversified Committee covering T. Eichar's memorandum re the potential liability of committee members (.10); review lengthy C. Harvick email memorandum to members of the Diversified Committee re the investor statements that will be distributed tomorrow (.10). | 0.20 | 112.00 |
| 07/06/06 | L. Ernce | Draft email memo to Diversified Committee re memorandum discussing committee liability. | 0.10 | 46.50 |
| 07/07/06 | M. Levinson | Telephone conversation with R. Mason, M. Schmahl and L. Ernce re background, status and strategic matters (.40); telephone conversation with L. Ernce, review L. Ernce email memorandum to the Diversified Committee re status matters and re our upcoming July 10th call and review S. Katz response thereto (.20). | 0.60 | 336.00 |
| 07/07/06 | L. Ernce | Telephone conference with M. Levinson with R. Mason and M. Schmahl re case status matters (.40); email memo to R. Mason and M. Schmahl re confidentiality agreement for Dr. Kantor to review and sign (.10). | 0.50 | 232.50 |
| 07/09/06 | M. Levinson | Review and respond to S. Katz email memorandum re next steps (.20); review and respond to a follow-up S. Katz email memorandum after reviewing several other emails, and review another follow-up email from S. Katz (.20). | 0.40 | 224.00 |



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|----------|-------------|--|------|--------|
| 07/10/06 | M. Levinson | Exchange email memoranda with M. Schmahl, counsel to G. Kantor, re tomorrow's meeting (.10); email memorandum to members of the Diversified Committee re the call later today and the meeting tomorrow and review brief follow-up email memoranda (.10); attend Diversified Committee conference call (1.00). | 1.20 | 672.00 |
| 07/10/06 | L. Ernce | Attend Diversified Committee conference call. | 1.00 | 465.00 |
| 07/10/06 | M. Levinson | Review lengthy S. Katz memorandum providing background re her purchase of Diversified Fund securities. | 0.30 | 168.00 |
| 07/12/06 | M. Levinson | Review and analyze lengthy G. Kantor email memorandum to R. Mason re yesterday's meetings and re related matters and forward the same to other of the Diversified Committee's professionals. | 0.20 | 112.00 |
| 07/13/06 | M. Levinson | Exchange a series of email memoranda with M. Tucker re forwarding the July 11th PowerPoint presentation to members of the Diversified Committee (.10); long telephone conversation with S. Katz re the July 11th meetings and the various topics discussed there (.60); draft, revise and finalize lengthy email memorandum to the Diversified Committee re the July 11th meeting, the upcoming July 17th meeting with L. Redman and re next steps (.60); exchange a series of follow-up email memoranda with G. Kantor and S. Katz (.20). | 1.50 | 840.00 |
| 07/13/06 | L. Ernce | Review M. Levinson email to committee members re status matters and upcoming conference call agenda. | 0.10 | 46.50 |
| 07/14/06 | M. Levinson | Follow-up email memorandum to the Diversified Committee re the July 18th conference call and review several brief responses thereto. | 0.20 | 112.00 |
| 07/15/06 | M. Levinson | Review T. Lawyer and S. Katz email memoranda re the upcoming Diversified Committee call and brief emails to L. Ernce re the same. | 0.10 | 56.00 |
| 07/16/06 | M. Levinson | Email L. Ernce re the upcoming Diversified Committee call and review her email memorandum to R. Worthen re the same. | 0.10 | 56.00 |



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| 07/16/06 | L. Ernce | Review email from M. Levinson re upcoming committee meeting and email to R. Worthen re same. | 0.10 | 46.50 |
| 07/17/06 | M. Levinson | Exchange a series of email memoranda with L. Ernce re tomorrow's Diversified Committee conference call and review her exchange of emails with various members of the Diversified Committee re the same. | 0.20 | 112.00 |
| 07/17/06 | L. Ernce | Draft emails to Diversified Committee members re tomorrow's committee meeting and exchange emails with M. Levinson re same. | 0.20 | 93.00 |
| 07/18/06 | M. Levinson | Telephone conversation with R. Worthen and L. Ernce in preparation for the upcoming Diversified Committee conference call (.30); very long Diversified Committee conference call (1.60). | 1.90 | 1,064.00 |
| 07/18/06 | L. Ernce | Telephone conference with R. Worthen re status matters in advance of Diversified Committee conference call (.30); conference call with Diversified Committee (1.60). | 1.90 | 883.50 |
| 07/20/06 | L. Ernce | Review email from G. Kantor (.10); email to Diversified Committee financial advisors re same (.10); review C. Harvick email in response to G. Kantor email (.10). | 0.30 | 139.50 |
| 07/20/06 | M. Levinson | Review G. Kantor email memorandum re the Diversified Fund investor statements, the lengthy C. Harvick response re the same and send a follow-up email memorandum to C. Harvick and M. Tucker. | 0.20 | 112.00 |
| 07/21/06 | L. Ernce | Review S. Katz email forwarding communication from investor with questions and email to Diversified financial advisors and legal team re same. | 0.10 | 46.50 |
| 07/21/06 | L. Ernce | Telephone conference with M. Schmahl re issues related to response to distribution motion and review M. Schmahl email re same issues. | 0.20 | 93.00 |
| 07/23/06 | M. Levinson | Telephone conversation with L. Ernce re scheduling the next Diversified Committee call. | 0.10 | 56.00 |
| 07/24/06 | M. Levinson | Review lengthy L. Ernce email memorandum to the Diversified Committee re the upcoming July 26th conference call and re the article on T. Hantges (.10); review S. Katz response and her discussion of other matters (.10). | 0.20 | 112.00 |



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| 07/24/06 | L. Ernce | Review article re T. Hantges and email memorandum to Diversified Committee re same. | 0.20 | 93.00 |
| 07/25/06 | M. Levinson | Telephone conversation with R. Worthen and L. Ernce re tomorrow's Diversified Committee call, recent developments and next steps, and follow-up conversation with L. Ernce re the same (.20); review lengthy L. Ernce email memorandum to G. Kantor and his counsel re their role on the Diversified Committee (.10); review R. Mason email memorandum with some of his thoughts about responding to the distribution motion (.10). | 0.40 | 224.00 |
| 07/25/06 | L. Ernce | Attention to logistics for Diversified Committee meeting and related matters. | 0.20 | 93.00 |
| 07/25/06 | L. Ernce | Telephone conference with M. Levinson and R. Worthen re case status matters and re matters related to ex officio committee member (.20); conference with M. Levinson re next steps (.10); draft email memo to M. Schmahl, R. Mason and G. Kantor re same (.10). | 0.40 | 186.00 |
| 07/25/06 | L. Ernce | Review news article re investigations into USA Capital by SEC and FBI and email memo to Diversified Committee members re the same. | 0.20 | 93.00 |
| 07/26/06 | L. Ernce | Attend Diversified Committee conference call. | 1.50 | 697.50 |
| 07/26/06 | M. Levinson | Participate in Diversified Committee conference call (1.50); email memorandum to the members of the Committee and to its professionals re tonight's draft of the limited opposition (.10). | 1.60 | 896.00 |
| 07/27/06 | L. Ernce | Draft email memo to Diversified Committee members re status of filing of Diversified pleadings and availability of all on Diversified Committee's website. | 0.10 | 46.50 |



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| 07/27/06 | M. Levinson | Exchange email memoranda with J. McGimsey re the distribution motion and the Diversified Committee's response thereto (.10); review L. Ernce email memorandum to the Diversified Committee re the filing of our limited opposition, her email memorandum to the Diversified Committee re the filing of our response to the cash management motion and exchange a series of email memoranda with M. Tucker, J. Hermann and L. Ernce re whether to post certain information on the DTDF website (.20). | 0.30 | 168.00 |
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| <i>B153 – Meetings & Communications with the Committee or members of the Committee Total</i> | 18.00 | 9,396.00 |
|--|-------|----------|

Task B154 – Meetings & Communications with the Creditors or Equity holders

| | | | | |
|----------|-------------|--|------|--------|
| 07/02/06 | M. Levinson | Exchange lengthy email memoranda with Diversified Fund investor, P. Stone, re various background and status matters. | 0.20 | 112.00 |
| 07/13/06 | M. Levinson | Review A. Loraditch email memorandum re an inquiry from a holder of interests in the Diversified Fund and analysis re next steps in light of the same. | 0.10 | 56.00 |
| 07/13/06 | L. Ernce | Review A. Loraditch email and follow-up emails re posting statement re Diversified Fund loan statements from debtors on Diversified Committee website (.10); review exchange of emails re questions from investors about statements (.20). | 0.30 | 139.50 |
| 07/14/06 | M. Levinson | Long telephone conversation with R. Sharpe, an investor, Diversified Fund, re status and re next steps. | 0.30 | 168.00 |
| 07/17/06 | L. Ernce | Review and respond to emails from investors. | 0.30 | 139.50 |
| 07/17/06 | L. Ernce | Telephone conferences and emails with G. Kruse of BMC Group re issues with operation of Diversified Committee's website, test out website, further communications with G. Kruse. | 0.60 | 279.00 |
| 07/18/06 | L. Ernce | Telephone call from investor T. Hansen. | 0.20 | 93.00 |
| 07/18/06 | L. Ernce | Attention to matters related to operation of Diversified Committee's website and exchange emails and telephone calls with G. Kruse at BMC. | 0.80 | 372.00 |



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|----------|--------------|--|------|--------|
| 07/19/06 | J. Hermann | Participate in conference call with Diversified Committee professionals regarding response to investor inquiries, substance of questions asked by investors and actions to populate Committee website with answers to frequently asked questions. | 0.30 | 171.00 |
| 07/19/06 | K. Neureiter | Participate on conference call discussing updating website and responding to creditor inquiries. | 0.30 | 112.50 |
| 07/19/06 | M. Levinson | Conference with L. Ernce re responding to inquiries from holders of interests in the Diversified Fund and re the Diversified Committee website (.10); telephone conference with M. Tucker, C. Harvick, A. Loraditch, J. Hermann, K. Neureiter and L. Ernce re the same and re preparing a form of Q&A for the Diversified Committee website (.30). | 0.40 | 224.00 |
| 07/19/06 | L. Ernce | Conference with M. Levinson re status of Diversified Committee's website and re communications with investors (.10); telephone conference with Diversified professionals re same and preparing "frequently asked questions" form for investors to be posted on website (.30). | 0.40 | 186.00 |
| 07/19/06 | L. Ernce | Review and respond to emails from investors re status of cases. | 0.30 | 139.50 |
| 07/19/06 | L. Ernce | Attention to dealing with technical matters related to operation of Diversified Committee's website (.50); begin updating and modifying website (.70). | 1.20 | 558.00 |
| 07/20/06 | L. Ernce | Review and exchange emails with investors Bohall and Miller (.30); work on updating and revising Diversified Committee's website and dealing with technical issues (1.30). | 1.60 | 744.00 |
| 07/20/06 | M. Levinson | Review L. Ernce email memoranda responding to emails sent by a number of different investors in the Diversified Fund. | 0.10 | 56.00 |
| 07/21/06 | L. Ernce | Work on updating Diversified Committee's website to include monthly operating reports, calendars and other key information. | 1.40 | 651.00 |
| 07/24/06 | L. Ernce | Attention to matters related to Diversified Committee website and updating same; emails and telephone conferences with various investors re case status. | 1.20 | 558.00 |



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| 07/25/06 | L. Ernce | Attention to updating and modifying website for Diversified Fund investors (.60); email memo to G. Kruse at BMC Group re structural changes needed (.10). | 0.70 | 325.50 |
| 07/25/06 | L. Ernce | Emails and telephone conferences with various Diversified Fund investors. | 0.40 | 186.00 |
| 07/26/06 | L. Ernce | Attention to updating Diversified Committee website. | 0.40 | 186.00 |
| 07/27/06 | M. Levinson | Review a number of L. Ernce email memoranda to Diversified Fund investors who contacted her through the website (.20); telephone conversation with Diversified Fund investor, P. Stone, re the distribution motion and other matters (.20); conference with L. Ernce re the lack of a link to the Diversified Fund website on the debtors' website, review L. Ernce email memorandum to E. Monson re the same and review response from E. Monson (.20). | 0.20 | 112.00 |
| 07/27/06 | L. Ernce | Review J. Hermann email re USA Capital website does not have link to Diversified Committee's website and review site (.10); email to E. Monson re same and re corrections to be made to Diversified Committee contact information on debtors' site (.20); exchange emails with M. Olson at USA Capital re same and getting link operational (.10); email to J. Hermann and M. Levinson re link has been created (.10). | 0.50 | 232.50 |
| 07/27/06 | L. Ernce | Attention to management of Diversified Committee website including updating to include all pleadings re cash management and distribution motion. | 1.00 | 465.00 |
| 07/27/06 | L. Ernce | Review email from investor Miller with questions about debtors' revised loan list (.10); telephone conference with J. Hermann re same (.10); review J. Hermann email re same (.10); draft email memo to investor Miller responding to her questions (.10). | 0.40 | 186.00 |
| 07/28/06 | J. Hermann | Review and revise draft of communication with Diversified Fund investors regarding distribution motion and Diversified Committee's limited opposition to the same to be posted on Committee website. | 0.50 | 285.00 |



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| 07/28/06 | J. Hermann | Telephone conference with L. Ernce regarding frequently asked questions to be published to website, concerns about characterizations made therein, litigation privilege and related matters and review and analysis of frequently asked questions in connection with the same. | 0.30 | 171.00 |
| 07/28/06 | M. Levinson | Review and revise the draft Frequently Asked Questions regarding the distribution motion for the Diversified Committee website (.30); exchange email memoranda with D. Schaal, the representative of an investor in the Diversified Fund (.10); review a number of email memoranda from investors received on the Diversified Committee website (.10); review a series of L. Ernce and M. Tucker email memoranda re whether the Diversified Fund loan statements as of June 30th ought to be posted on the Diversified Committee website (.10). | 0.60 | 336.00 |
| 07/28/06 | L. Ernce | Draft and revise "frequently asked questions" for investors re same (1.50); exchange emails with Diversified professionals re same (.10); telephone conferences with J. Hermann and M. Levinson re same (.30); revise and finalize frequently asked questions sheet (.20). | 2.10 | 976.50 |
| 07/28/06 | L. Ernce | Revise and update Diversified Committee website to include additional pleadings on distribution motion, cash motion and frequently asked questions information sheet (.50); email memos to members of Diversified Committee and a number of individual investors re status of website, information now available and providing frequently asked questions information sheet (.40); review email memo from investor McKnight and telephone conference with M. Levinson re responding to same (.10.) | 1.00 | 465.00 |
| 07/28/06 | K. Neureiter | Review updates to Official Committee website. | 0.20 | 75.00 |
| 07/28/06 | K. Neureiter | Review summary of frequently asked questions draft by L. Ernce and draft comments. | 0.30 | 112.50 |
| 07/28/06 | K. Neureiter | Confer with L. Ernce regarding minor comments to summary. | 0.10 | 37.50 |



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| 07/30/06 | M. Levinson | Review a chain of email memoranda between L. Ernce and a Diversified Fund investor, and draft a lengthy response to his last email memorandum. | 0.30 | 168.00 |
| 07/31/06 | M. Levinson | Review a series of M. Tucker, A. Loraditch, L. Ernce and K. Neureiter email memoranda re updating the Diversified Committee website. | 0.10 | 56.00 |
| <i>B154 – Meetings & Communications with the Creditors or Equity holders</i> | | | <i>19.10</i> | <i>9,134.50</i> |
| | | | <i>Total</i> | |

Task B160 – Fee/Employment Applications

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| 07/14/06 | M. Levinson | Review R. Charles email memorandum re the proposed employment of Sierra Consulting as financial advisor to the unsecured creditors committee and exchange follow-up email memoranda with M. Tucker re the same. | 0.20 | 112.00 |
| 07/18/06 | M. Levinson | Review the draft stipulation re scheduling of the hearing on the Ray Quinney, Mesirow and Schwartzer & McPherson continued employment applications and email A. Loraditch re the same (.10); email memorandum to all hands re a suggested change thereto and review numerous follow-up email memoranda from various counsel (.20); email memorandum to A. Jarvis re the Diversified Committee's agreement to not oppose continued employment for 60 days (.10). | 0.40 | 224.00 |
| 07/19/06 | M. Levinson | Review L. Ernce, E. Karasik, A. Parlen and other email memorandum to other committee counsel re the continued employment of the debtors' professionals. | 0.10 | 56.00 |
| 07/19/06 | L. Ernce | Email to M. Levinson re status of Orrick's pro hac vice applications. | 0.10 | 46.50 |
| 07/19/06 | L. Ernce | Review draft joint response re continued employment of debtors' professionals; email memo to First Trust Deed Fund Committee counsel re my comments and suggestions re same. | 0.30 | 139.50 |
| 07/20/06 | K. Neureiter | Review and respond to M. Levinson's email re fee applications. | 0.10 | 37.50 |



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|----------|--------------|---|------|--------|
| 07/20/06 | M. Levinson | Email memorandum to S. Strong re the first interim fee applications and interim fee submissions (.10); voicemail message to E. Karasik re the both the employment applications and the fee applications (.10); review S. Strong email memorandum to all hands re the fee submission deadlines and forward the same to the Diversified professionals (.10). | 0.30 | 168.00 |
| 07/20/06 | L. Ernce | Review M. Levinson email to K. Neureiter re preparing Orrick fee submissions and related matters and review S. Strong email confirming dates for submissions. | 0.10 | 46.50 |
| 07/21/06 | L. Ernce | Conference with M. Levinson re Orrick fee applications, logistics and related matters and review emails re same. | 0.20 | 93.00 |
| 07/21/06 | K. Neureiter | Conference with R. Barainca re procedure going forward for drafting fee applications. | 0.20 | 75.00 |
| 07/21/06 | K. Neureiter | Two different calls with M. Levinson re fee application procedures. | 0.30 | 112.50 |
| 07/21/06 | K. Neureiter | Discuss fee applications procedures with J. Hermann. | 0.20 | 75.00 |
| 07/21/06 | M. Levinson | Telephone conversation with K. Neureiter re preparing the first interim fee submission and the first interim fee application (.20); follow-up telephone conversation with K. Neureiter (.10). | 0.30 | 168.00 |
| 07/21/06 | J. Hermann | Telephone conference with K. Neureiter regarding interim fee application procedures. | 0.20 | 114.00 |
| 07/24/06 | M. Levinson | Telephone conversation with R. Charles re the position of the unsecured creditors committee on the continued employment of the debtors' professionals and on the U.S. Trustee's opposition pleadings (.20); conference with L. Ernce re the same (.10); review the supplemental J. McPherson declaration, the Schwartz & McPherson reply brief and the supplemental T. Allison declaration (.20); telephone conversation with A. Loraditch and J. Hermann re my conversation with R. Charles, re the supplemental pleadings and re other matters relating to tomorrow's hearing (.20); telephone conversation with E. Karasik and A. Loraditch re the same (.30). | 1.00 | 560.00 |



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| 07/24/06 | L. Ernce | Review prior draft version of joint response to interim fee procedures motion (.10); telephone conference with A. Parlen and C. Pajak re same (.10); conference with M. Levinson re next steps in drafting joint response and modified arguments (.10). | 0.30 | 139.50 |
| 07/24/06 | J. Hermann | Telephone conference with A. Loraditch and M. Levinson regarding issues in connection with continued employment application of Debtors' professionals and other matters set for hearing. | 0.20 | 114.00 |
| 07/24/06 | J. Hermann | Telephone conference with M. Levinson regarding matters on calendar for tomorrow, continued employment application of debtors' counsel, conflicts of interest related to the same and other related matters. | 0.30 | 171.00 |
| 07/24/06 | J. Hermann | Review and analyze pleadings bearing upon motion for continued employment of debtors' professionals. | 0.50 | 285.00 |
| 07/25/06 | M. Levinson | Review the lengthy L. Ernce email memorandum re this morning's hearing on the continued employment of the debtors' two law firms and Mesirow (.20); telephone conversation with J. Hermann re the hearing during the recess after the employment hearing (.10). | 0.30 | 168.00 |
| 07/25/06 | L. Ernce | Telephone conferences with M. Levinson and A. Loraditch re fee application procedure and practice in Nevada (.20); review emails re same (.10); follow-up telephone conference with M. Levinson re same (.10). | 0.40 | 186.00 |
| 07/25/06 | L. Ernce | Review signed orders Orrick pro hac vice applications and local counsel designations; emails with A. Loraditch and M. Levinson re same. | 0.10 | 46.50 |
| 07/25/06 | L. Ernce | Draft and revise joint response to debtors' interim fee procedures motion (.70); conference with M. Levinson re same (.10); email to First Trust Deed Fund's counsel re same (.10). | 0.90 | 418.50 |
| 07/25/06 | R. Barainca | Confer with K. Neureiter regarding fee application preparation. | 0.20 | 28.00 |
| 07/25/06 | R. Barainca | Review and edit June pre-bills. | 0.60 | 84.00 |
| 07/25/06 | J. Hermann | Meeting with various counsel prior to hearing on various matters, including continued employment of debtors' professionals. | 0.40 | 228.00 |



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| 07/25/06 | J. Hermann | Participate in hearings on various motions, including case status update, continued employment of debtors' professionals, form of order, etc. | 1.20 | 684.00 |
| 07/26/06 | L. Ernce | Review interim fee procedures motion re ambiguity in proposed procedure (.10); revise draft joint response to address First Trust Deed Committee's concerns and ambiguity in proposed procedure (.30); draft email to E. Karasik, A. Parlen and C. Pajak re same (.10); review exchange of emails with E. Karasik re same (.10). | 0.60 | 279.00 |
| 07/26/06 | M. Levinson | Conference with L. Ernce re the status of the two-committee response to the interim fee procedures motion, re her discussion with A. Parlen re the same and re next steps (.10); review and participate in a series of follow-up email memoranda with E. Karasik re the same (.10). | 0.20 | 112.00 |
| 07/26/06 | R. Barainca | Review and edit June pre-bills. | 4.90 | 686.00 |
| 07/27/06 | L. Ernce | Review emails with comments to latest draft of joint response to interim fee procedures motion; revise same and recirculate to M. Levinson and First Trust Deed Fund Committee's counsel. | 0.20 | 93.00 |
| 07/27/06 | R. Barainca | Review and edit June pre-bills. | 1.40 | 196.00 |
| 07/28/06 | M. Levinson | Review the draft joint response to the interim fee procedures motion and telephone conversation with L. Ernce re my comments to the same (.20); review a series of numerous C. Pajak, E. Karasik and L. Ernce email memoranda re finalizing and filing the same, and review the filed version (.20). | 0.40 | 224.00 |
| 07/28/06 | K. Neureiter | Confer with R. Barainca several times regarding status of pre-bill amendments and getting edits to M. Levinson | 0.30 | 112.50 |
| 07/31/06 | K. Neureiter | Confer with M. Levinson regarding next assignments for fee apps. | 0.10 | 37.50 |
| 07/31/06 | R. Barainca | Review and edit June pre-bills. | 2.20 | 308.00 |
| <i>B160 - Fee/Employment Applications Total</i> | | | <i>19.70</i> | <i>6,628.00</i> |



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Task B170 – Fee/Employment Objections

| | | | | |
|----------|-------------|--|------|--------|
| 07/20/06 | M. Levinson | Initial review of the draft limited objection to the continued employment of Ray Quinney, Mesirov and the Schwartzer firm and conference with L. Ernce re the same and re related matters (.20); review follow-up email memoranda from A. Parlen and L. Ernce re the draft pleading (.10). | 0.30 | 168.00 |
| 07/20/06 | L. Ernce | Review email from A. Parlen re joint response to interim fee procedures motion (.10); review next draft of First Trust Deed Fund Committee's draft pleading in response to request to continue employment of debtors' professionals (.20); conference with M. Levinson re same, whether fund committees will oppose proposed interim compensation procedures, and logistics for Orrick's fee submissions (.30); review M. Levinson email to S. Strong re same (.10); further revise draft pleading in response to request to continue employment of debtors' professionals (.20); email to A. Parlen re Diversified Committee joining in the pleading and re need to discuss fund committees' positions on interim compensation procedures (.10); review next version of response to request to continue employment of Ray Quinney and Schwartzer law firms (.20). | 1.20 | 558.00 |
| 07/21/06 | L. Ernce | Review U.S. Trustee's oppositions to continued employment of debtors' counsel and email to Diversified professionals re same (.20); conference with M. Levinson re same and related issues (.10). | 0.30 | 139.50 |
| 07/21/06 | M. Levinson | Review the oppositions of the U.S. Trustee to the continued employment of Ray Quinney and telephone conversation with M. Tucker re the same and re related matters. | 0.30 | 168.00 |
| 07/21/06 | L. Ernce | Conference with M. Levinson re status of response on application to continue employment of debtors' professionals and review emails re same. | 0.10 | 46.50 |



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|---|----------|---|-------------|-----------------|
| 07/24/06 | L. Ernce | Conference with M. Levinson re application of debtors' professionals to continue employment (.10); review objections, including objection by McGimsey family and email to M. Levinson re same (.30); review responses in support of employment applications by Schwartzer firm (.10). | 0.50 | 232.50 |
| 07/26/06 | L. Ernce | Review and exchange emails with A. Parlen re possible issue re joint response to interim fee procedures motion (.10); telephone conference with A. Parlen re same and possible modifications to draft to permit two funds to file a joint response (.20); conference with M. Levinson re my proposal re same (.10). | 0.40 | 186.00 |
| <i>B170 – Fee/Employment Objections Total</i> | | | <i>3.10</i> | <i>1,498.50</i> |

PHASE B100 – ADMINISTRATION TOTAL**129.40 64,292.50****PHASE B200 – OPERATIONS**Task B210 – Business Operations

| | | | | |
|----------|-------------|--|------|--------|
| 07/11/06 | L. Ernce | Review draft order authorizing continued use of cash through August 6. | 0.10 | 46.50 |
| 07/18/06 | L. Ernce | Review emails re estimates of Diversified professional fees for debtors' budgeting purposes. | 0.10 | 46.50 |
| 07/19/06 | L. Ernce | Review debtors' third revised budget and email memo to Diversified professionals re same. | 0.20 | 93.00 |
| 07/21/06 | M. Levinson | Exchange of email memoranda with A. Loraditch, L. Ernce and others re the cash management motion and the hearing thereon. | 0.20 | 112.00 |
| 07/24/06 | L. Ernce | Telephone conference with A. Parlen and C. Pajak re objections to debtors' third revised budget, status of meeting between financial advisors and Mesirow re same, and logistics for drafting joint response (.20); draft email memo to Diversified professionals re same (.10). | 0.30 | 139.50 |
| 07/25/06 | L. Ernce | Review order approving cash collateral usage to August 6 and email to Diversified professionals re same and re upcoming hearing on debtors' next cash management motion and third revised budget. | 0.10 | 46.50 |



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|----------|----------|---|------|--------|
| 07/26/06 | L. Ernce | Draft email memo to C. Pajak and A. Parlen re status of response to cash management motion and review C. Pajak email re same (.10); review draft response to cash management motion prepared by First Trust Deed Fund Committee (.20); email to Diversified financial advisors re same (.10). | 0.40 | 186.00 |
| 07/27/06 | L. Ernce | Review final version of joint response to cash management motion and third revised budget (.20); exchange emails with M. Tucker and M. Levinson re same (.10); sign on behalf of Diversified Committee and email to C. Pajak re same (.10). | 0.40 | 186.00 |
| 07/27/06 | L. Ernce | Review objections to cash management motion by direct lenders and unsecured creditors committees. | 0.20 | 93.00 |
| 07/28/06 | L. Ernce | Conference with M. Levinson re revising draft joint response to cash management motion (.10); revise and finalize same (.20); exchange emails with First Trust Deed Committee attorneys re approval to file joint response (.10). | 0.40 | 186.00 |

B210 – Business Operations Total 2.40 1,135.00

Task B230 – Financing/Cash Collections

| | | | | |
|----------|-------------|--|------|--------|
| 07/03/06 | M. Levinson | Review today's draft of the DIP financing order and the C. Carlyon email memorandum covering the same (.10); email memorandum to all hands re my approval of and brief comments on the form of order (.10); review brief follow-up email memoranda from C. Carlyon, G. Garman and A. Landis, sign the form of order and email it under cover of a memorandum to all hands (.20). | 0.40 | 224.00 |
| 07/19/06 | M. Levinson | Review the debtors' most recent loan funding spreadsheet and forward the same to M. Tucker and other DTDF professionals under cover of an email memorandum. | 0.20 | 112.00 |



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|----------|-------------|---|------|--------|
| 07/21/06 | L. Ernce | Exchange emails with Diversified legal team re filing further response to cash collateral motion in light of new budget and related matters (.10); conference with M. Levinson re his call with E. Karasik re responses to cash collateral and interim compensation motions due next week and whether two fund committees will file joint responses (.20); email to A. Parlen re same and proposed division of labor (.10). | 0.40 | 186.00 |
| 07/26/06 | L. Ernce | Review updated list of portfolio funding requirements prepared by Mesirow and email to Diversified professionals. | 0.20 | 93.00 |
| 07/27/06 | M. Levinson | Initial review of the Fertitta proposal to fund the Rio Rancho project and of the R. Charles email memorandum raising questions about the same. | 0.10 | 56.00 |
| 07/28/06 | M. Levinson | Further review of the Fertitta funding proposal, and telephone conversation with G. Garman re the same, the distribution motion and other matters (.20); exchange email memoranda with A. Jarvis giving the Diversified Committee's consent to the Fertitta matter going forward on August 4th (.10). | 0.30 | 168.00 |
| 07/28/06 | J. Hermann | Review and analysis of Fertitta funding proposal on Rio Rancho Executive Plaza and consideration and analysis of issues in connection with the same. | 0.30 | 171.00 |

B230 – Financing/Cash Collections Total 1.90 1,010.00

PHASE B200 – OPERATIONS TOTAL

4.30 2,145.00

PHASE B300 – CLAIMS AND PLAN

Task B310 – Claims Administration and Objections

| | | | | |
|----------|--------------|---|------|--------|
| 07/05/06 | K. Neureiter | Participate on conference call with M. Levinson, E. Karasik and C. Pajak to discuss objection to proof of claim by Prospect High Income Fund. | 0.10 | 37.50 |
| 07/05/06 | K. Neureiter | Complete detailed review of documentation re Prospect High Income Fund forwarded by J. Hermann. | 2.30 | 862.50 |
| 07/05/06 | M. Levinson | Conference with K. Neureiter re the objection to the Prospect High Income Fund claim and brief email memorandum to E. Karasik re such claim. | 0.20 | 112.00 |



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|----------|--------------|---|------|----------|
| 07/06/06 | M. Levinson | Review K. Neureiter email memorandum to A. Loraditch re items from the state court docket relating or possibly relating to the Prospect High Income Fund proof of claim. | 0.10 | 56.00 |
| 07/06/06 | K. Neureiter | Draft A. Loraditch email requesting pleadings and respond. | 0.20 | 75.00 |
| 07/06/06 | K. Neureiter | Research and review case law re issue preclusion in Ninth Circuit. | 1.90 | 712.50 |
| 07/06/06 | K. Neureiter | Review in detail state court docket for pleadings to request from A. Loraditch. | 0.40 | 150.00 |
| 07/06/06 | L. Ernce | Review series of emails re objection to High Income Prospect Fund proof of claim. | 0.10 | 46.50 |
| 07/07/06 | M. Levinson | Review K. Neureiter and A. Loraditch email memoranda re documents relevant to the objection to the Prospect High Income Fund proof of claim. | 0.10 | 56.00 |
| 07/07/06 | K. Neureiter | Confer with J. Hermann re arguments for claim objection. | 0.20 | 75.00 |
| 07/07/06 | K. Neureiter | Review state court docket in preparation for call with A. Loraditch. | 0.20 | 75.00 |
| 07/07/06 | K. Neureiter | Call with A. Loraditch to discuss pleadings needed for Prospect High Income Fund objection. | 0.20 | 75.00 |
| 07/10/06 | K. Neureiter | Review pleadings from state case forwarded by A. Loraditch in preparation for drafting objection to claim. | 0.60 | 225.00 |
| 07/11/06 | K. Neureiter | Review Epic indenture. | 0.70 | 262.50 |
| 07/11/06 | K. Neureiter | Research issue preclusion in the Third Circuit. | 4.60 | 1,725.00 |
| 07/12/06 | K. Neureiter | Continue issue preclusion research in Third and Ninth Circuits. | 2.80 | 1,050.00 |
| 07/12/06 | K. Neureiter | Review complaint filed by Bank of New York in Third Circuit bankruptcy case. | 0.20 | 75.00 |
| 07/13/06 | M. Levinson | In connection with the possible objection to the claim filed by Prospect High Income Fund, review the lengthy A. Loraditch email memorandum to K. Neureiter re various pleadings in the Nevada state court action brought by Prospect High Income Fund. | 0.10 | 56.00 |
| 07/13/06 | K. Neureiter | Review email from A. Loraditch re state court pleadings related to Prospect High Income Fund. | 0.20 | 75.00 |
| 07/13/06 | K. Neureiter | Begin review of numerous state court documents forwarded by A. Loraditch related to claim objection. | 3.30 | 1,237.50 |



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|--|--------------|--|-------|----------|
| 07/15/06 | M. Levinson | Review the several drafts of the order vacating the bar date order, review various email memoranda re the same, sign a form of order and email it to all hands. | 0.20 | 112.00 |
| 07/17/06 | K. Neureiter | Draft email to A. Loraditch regarding Prospect High Income Fund proof of claim. | 0.10 | 37.50 |
| 07/21/06 | L. Ernce | Exchange emails with A. Loraditch re gathering proofs of claim filed by equity holders for purposes of future claim objection. | 0.10 | 46.50 |
| 07/21/06 | K. Neureiter | Review state court pleadings forwarded by A. Loraditch re Prospect High Income Fund proof of claim. | 1.60 | 600.00 |
| 07/28/06 | K. Neureiter | Review emails from J. Hermann and M. Levinson re status and transferring Prospect High Income Fund proof of claim to Beckley Singleton. | 0.10 | 37.50 |
| 07/28/06 | K. Neureiter | Review email from J. Hermann following up on the objection to proof of claim filed by Prospect High Income Fund and a potential legal research assignment and confer briefly with L. Ernce regarding assignment. | 0.20 | 75.00 |
| 07/31/06 | K. Neureiter | Research constructive trusts in Ninth Circuit per M. Levinson and review results. | 3.00 | 1,125.00 |
| <i>B310 – Claims Administration and Objections Total</i> | | | 23.80 | 9,072.50 |

Task B320 – Plan and Disclosure Statement (including Business Plan)

| | | | | |
|----------|-------------|--|------|--------|
| 07/06/06 | M. Levinson | Review and analyze email memorandum to all committee counsel from F. Wright, counsel to a potential exit financier, re next steps. | 0.20 | 112.00 |
| 07/12/06 | M. Levinson | Portion of the very long telephone conversation with J. Hermann, L. Ernce and A. Loraditch devoted to plan of reorganization issues discussed at yesterday's meetings in Las Vegas and re next steps. | 0.40 | 224.00 |
| 07/12/06 | J. Hermann | Participate in conference call with Diversified Committee counsel regarding results of all-hands meeting with debtors' representatives yesterday and regarding issues bearing upon plan of reorganization timing and substance and possible reactions to the same. | 0.40 | 228.00 |



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|----------|-------------|---|------|--------|
| 07/25/06 | M. Levinson | Telephone conversation with M. Tucker, C. Harvick and L. Ernce re the discussions in Las Vegas earlier today with A. Jarvis re the filing of a plan. | 0.20 | 112.00 |
| 07/25/06 | L. Ernce | Telephone conference with M. Tucker, C. Harvick and M. Levinson re debtors' intent to file a plan and timing. | 0.10 | 46.50 |
| 07/25/06 | J. Hermann | Meeting with Plan Proponent No. 1 regarding unique circumstances and issues bearing upon purchase and sale of Diversified Fund assets. | 1.30 | 741.00 |
| 07/26/06 | L. Ernce | Review letter of intent to acquire debtors' loan portfolios by an interested bidder. | 0.20 | 93.00 |
| 07/26/06 | M. Levinson | Telephone conversation with J. Hermann re yesterday's discussions in Las Vegas with a potential plan participant (Plan Proponent No. 1) (.20); telephone conversation with M. Tucker and J. Hermann re the same (.20); email memorandum from E. Karasik with her telephone conversation with D. Cooney, a principal of Plan Proponent No. 2, telephone conversation with J. McCarroll, counsel for Plan Proponent No. 2 and review follow-up email memorandum from J. McCarroll (.20); telephone conversation with A. Landis re yesterday's plan discussions at USA Mortgage (.10); review M. Tucker email memorandum re Plan Proponent No. 1, and exchange a series of many email memoranda with E. M. Bloom, counsel to Plan Proponent No. 1 (.20); review M. Bloom email memorandum to E. Karasik and telephone conversation with M. Bloom re Plan Proponent No. 1, plan issues and other matters (.20). | 1.10 | 616.00 |



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|----------|-------------|--|------|--------|
| 07/27/06 | M. Levinson | Telephone conversation with M. Bloom re background and re next steps with respect to a possible proposal from Plan Proponent No. 1 (.10); portion of a long telephone conversation with A. Jarvis and S. Strong re plan issues and next steps in the plan process (.20); long telephone conversation with M. Bloom and M. Tucker re a possible proposal from Plan Proponent No. 1 (.70); long telephone conversation with lawyers and representatives from Plan Proponent No. 2 and with representatives of the four committees re a possible plan proposal from Plan Proponent No. 2 (.70). | 1.70 | 952.00 |
| 07/28/06 | M. Levinson | Telephone conversation with S. Kahn re plan proposal from Plan Proponent No. 2 (.10); telephone conversation with potential Plan Proponent No. 4 (.30). | 0.40 | 224.00 |
| 07/28/06 | J. Hermann | Participate in exchange of email correspondence regarding interest of Plan Proponent No. 1 in purchasing loans and pleadings filed by Diversified Committee yesterday. | 0.30 | 171.00 |
| 07/29/06 | M. Levinson | Exchange of email memoranda with M. Bloom re the plan proposal made by Plan Proponent No. 1. | 0.10 | 56.00 |
| 07/30/06 | M. Levinson | Email memorandum to E. Karasik and M. Tucker forwarding M. Bloom's email about the letter of intent from Plan Proponent No. 1 and review brief response from M. Tucker, review E. Karasik and M. Tucker responses thereto, and email memorandum to A. Jarvis requesting a copy of the letters of intent. | 0.20 | 112.00 |



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| 07/31/06 | M. Levinson | Long telephone conversation with potential Plan Proponent No. 4 (.40); exchange a series of many email memoranda with A. Jarvis, R. Charles, E. Karasik and others re a possible all-hands meeting to discuss plan proposals the week of August 7th (.20); initial review of the letter of intent from Plan Proponent No. 1 (.30); review and analyze E. Karasik email memorandum suggesting an alternate procedure to an all-hands meeting for obtaining plan proposals and review and analyze M. Kvarda and T. Burr email memoranda on the same topic (.20); telephone conversation with M. Tucker re the same (.20); telephone conversations with J. Hermann and E. Karasik re the same (.20); telephone conversation with E. Karasik re next steps in light of the Plan Proponent No. 1 proposal and other developments (.20); lengthy email memorandum to committee professionals re next steps, including a call tomorrow (.20); review email responses from a number of committee professionals (.10). | 2.00 | 1,120.00 |
| <i>B320 – Plan and Disclosure Statement (including Business Plan) Total</i> | | | 8.60 | 4,807.50 |
| PHASE B300 – CLAIMS AND PLAN TOTAL | | | 32.40 | 13,880.00 |

PHASE B400 – BANKRUPTCY-RELATED ADVICETask B503 – Litigation

| | | | | |
|----------|-------------|---|------|--------|
| 07/02/06 | M. Levinson | Review and analyze K. Neureiter outline/memorandum re a possible interim distribution to Diversified Fund investors, and analysis re next steps in light of the same. | 0.50 | 280.00 |
| 07/02/06 | M. Levinson | Review and analyze law review article on substantive consolidation. | 0.40 | 224.00 |
| 07/03/06 | M. Levinson | Conference with K. Neureiter re substantive consolidation issues and re next steps (.40); telephone conversation with A. Loraditch re the same (.10); telephone conversation with J. Hermann re substantive consolidation issues and strategies (.30); initial review of two key substantive consolidation cases (.20). | 1.00 | 560.00 |



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|----------|--------------|--|------|----------|
| 07/03/06 | M. Levinson | Conference with K. Neureiter re issues relating to a possible interim distribution to members of the Diversified Fund (.20); telephone conversation with S. Strong re the status of the interim distribution motion (.10); telephone conversation with K. Neureiter re the same and a subsequent telephone conversation with K. Neureiter following her conversation with C. Pajak (.10); analysis re next steps (.20); draft, revise and finalize a lengthy email memorandum to the other Diversified Fund professionals re the conversation with S. Strong, re the investor statements and the interim distribution motion and re next steps with respect to the same and related matters (.50). | 1.10 | 616.00 |
| 07/03/06 | K. Neureiter | Review email from M. Levinson re conversation with S. Strong and interim distribution. | 0.10 | 37.50 |
| 07/03/06 | K. Neureiter | Confer with M. Levinson re substantive consolidation issues. | 0.40 | 150.00 |
| 07/03/06 | K. Neureiter | Research and review various cases and articles re substantive consolidation. | 3.20 | 1,200.00 |
| 07/03/06 | K. Neureiter | Confer briefly with M. Levinson re Standard and Lemons cases. | 0.10 | 37.50 |
| 07/03/06 | K. Neureiter | Review committee presentation forwarded by M. Levinson. | 0.30 | 112.50 |
| 07/03/06 | K. Neureiter | Follow up conversation with M. Levinson re conversation with C. Pajak regarding interim distribution. | 0.10 | 37.50 |
| 07/03/06 | K. Neureiter | Confer with M. Levinson re interim distribution. | 0.20 | 75.00 |
| 07/03/06 | K. Neureiter | Follow up conversation with M. Levinson re conversation with S. Strong re interim distribution. | 0.20 | 75.00 |
| 07/03/06 | K. Neureiter | Confer with C. Pajak re forthcoming interim distribution motion from S. Strong. | 0.20 | 75.00 |
| 07/03/06 | J. Hermann | Review and analysis of cases and secondary materials bearing upon recharacterization of claims and substantive consolidation and formulation of arguments. | 1.80 | 1,026.00 |
| 07/03/06 | J. Hermann | Review and analysis of Diversified Fund prospectus in connection with promises made to investors as to attributes of loans to be funded and potential causes of action. | 0.80 | 456.00 |



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|----------|--------------|--|------|----------|
| 07/03/06 | J. Hermann | Telephone conference with M. Levinson regarding theories for pro-rata distribution in case including substantive consolidation and recharacterization and numerous related matters. | 0.30 | 171.00 |
| 07/03/06 | M. Levinson | Begin reviewing the 2003 DTDF prospectus. | 0.20 | 112.00 |
| 07/05/06 | K. Neureiter | Review email from M. Levinson re Bonham case and forward case to him. | 0.10 | 37.50 |
| 07/05/06 | K. Neureiter | Forward various cases re substantive consolidation to L. Ernce. | 0.10 | 37.50 |
| 07/05/06 | K. Neureiter | Confer with L. Ernce and M. Levinson re substantive consolidation. | 0.30 | 112.50 |
| 07/05/06 | K. Neureiter | Email to M. Levinson various substantive consolidation cases for his review. | 0.10 | 37.50 |
| 07/05/06 | K. Neureiter | Participate on conference call with M. Levinson, L. Ernce, C. Pajak and E. Karasik re interim distribution. | 0.20 | 75.00 |
| 07/05/06 | K. Neureiter | Review argument for interim distribution drafted by C. Pajak and review/confirm cases as cited. | 0.40 | 150.00 |
| 07/05/06 | K. Neureiter | Participate on conference call with M. Levinson, E. Karasik and C. Pajak to discuss interim distribution argument. | 0.10 | 37.50 |
| 07/05/06 | K. Neureiter | Detailed voicemail message to C. Pajak re my minor comments to summary. | 0.10 | 37.50 |
| 07/05/06 | K. Neureiter | Obtain and review various Ninth Circuit substantive consolidation cases and additional secondary sources. | 2.70 | 1,012.50 |
| 07/05/06 | M. Levinson | Initial review of the Ninth Circuit Bonham substantive consolidation case and of a list of decisions citing it (.20); telephone conversation with C. Harvick re the same (.10); telephone conversation with L. Ernce re the same and re next steps (.10); telephone conversation with L. Ernce and K. Neureiter re next steps (.20); telephone conversation with M. Tucker and C. Harvick re the same (.10). | 0.70 | 392.00 |



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|----------|-------------|--|------|----------|
| 07/05/06 | M. Levinson | Telephone conversation with L. Ernce re the distribution motion following the all-hands call (.10); telephone conversation with E. Karasik, S. Strong, C. Harvick, L. Ernce and others re the distribution motion (.20); follow-up email memorandum to E. Karasik (.10); follow-up telephone conversation with M. Tucker and C. Harvick re the distribution motion (.10); telephone conversation with E. Karasik, C. Pajak and K. Neureiter re making an interim distribution to investors in the funds (.10). | 0.60 | 336.00 |
| 07/05/06 | J. Hermann | Telephone conference with M. Levinson regarding substantive consolidation and document production issues. | 0.20 | 114.00 |
| 07/05/06 | J. Hermann | Review and analysis of consolidated all-committee document request addressed to debtors, preparation of proposed changes and additions to the same, and participation in exchange of email correspondence regarding the same. | 0.90 | 513.00 |
| 07/05/06 | D. Tyukody | Review prospectus and outline issues to be addressed, including sources of misrepresentations and potential causes of action. | 2.70 | 1,714.50 |
| 07/05/06 | L. Ernce | Telephone conference with M. Levinson re strategy and status matters related to substantive consolidation (.20); follow-up telephone conference with M. Levinson and K. Neureiter re same (.20); exchange emails with K. Neureiter (.10). | 0.50 | 232.50 |
| 07/05/06 | L. Ernce | Telephone conference with M. Levinson re debtors' distribution motion and related issues. | 0.20 | 93.00 |
| 07/05/06 | L. Ernce | Review draft argument re distribution motion prepared by First Trust Deed Fund Committee. | 0.20 | 93.00 |
| 07/06/06 | J. Hermann | Conference with D. Tyukody regarding facts relevant to possible securities action and related matters. | 0.50 | 285.00 |
| 07/06/06 | J. Hermann | Participate in conference call with M. Levinson, L. Ernce and K. Neureiter regarding substantive consolidation issues and facts and other litigation matters and further consideration and analysis of issues raised therein. | 0.50 | 285.00 |



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|----------|--------------|---|------|----------|
| 07/06/06 | M. Levinson | Careful review and analysis of the Lemons and Bonham decisions in connection with possible motions and adversary proceedings (2.20); careful review and analysis of the first third of the June 2003 DTDF prospectus (1.20); telephone conversation with J. Hermann, L. Ernce and K. Neureiter re the same, re substantive consolidation and re related strategic issues (.40); telephone conversation with M. Tucker re the same (.30); analysis re next steps (.20). | 4.30 | 2,408.00 |
| 07/06/06 | M. Levinson | Review and respond to S. Strong email memorandum re taking the investor-by-investor or loan-by-loan approach in the distribution motion and review the lengthy R. Charles follow-up memorandum re the same (.30); review lengthy L. Ernce email memorandum re her conference call with S. Smith, R. Charles and E. Karasik re the same (.10); review K. Neureiter email memorandum re her research concerning a possible distribution to fund investors (.10); exchange follow-up email memoranda with L. Ernce re possibly making a distribution to fund investors (.10); review the form of investor statement forwarded by M. Tucker and telephone conversation with M. Tucker and C. Harvick re the same and re next steps related to the same (.30); exchange email memoranda with K. Neureiter re a portion of the draft insert the First Trust Deed Fund Committee would like to include in the distribution motion (.10). | 1.00 | 560.00 |
| 07/06/06 | K. Neureiter | Call with L. Ernce re authority for investor-by-investor netting. | 0.10 | 37.50 |
| 07/06/06 | K. Neureiter | Review cases to find authority for investor-by-investor v. loan-by-loan netting. | 0.60 | 225.00 |
| 07/06/06 | K. Neureiter | Review email from L. Ernce re status of argument and potential recoupment. | 0.10 | 37.50 |
| 07/06/06 | K. Neureiter | Briefly review cases and draft email with recoupment analysis. | 0.40 | 150.00 |
| 07/06/06 | K. Neureiter | Review voice message from C. Pajak re comments to argument and return call and left message re same. | 0.10 | 37.50 |
| 07/06/06 | K. Neureiter | Confer with C. Pajak re interim distribution arguments. | 0.20 | 75.00 |
| 07/06/06 | K. Neureiter | Draft email to M. Levinson re C. Pajak's comments to interim distribution motion. | 0.20 | 75.00 |



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|----------|--------------|--|------|--------|
| 07/06/06 | K. Neureiter | Review email from M. Levinson re strategy on particular case in motion and left C. Pajak a voice message. | 0.10 | 37.50 |
| 07/06/06 | K. Neureiter | Continue review of cases and journal articles re substantive consolidation. | 0.70 | 262.50 |
| 07/06/06 | K. Neureiter | Conference with L. Ernce, M. Levinson and J. Hermann re substantive consolidation arguments. | 0.30 | 112.50 |
| 07/06/06 | D. Tyukody | Telephone conference with J. Hermann regarding matters uncovered during his investigations. | 0.50 | 317.50 |
| 07/06/06 | L. Ernce | Review S. Strong and M. Levinson emails re debtors' motion to distribute funds on an investor-by-investor basis rather than loan-by-loan and review M. Levinson voicemail re same (.10); telephone conference with K. Neureiter re same and related status matters (.20); telephone conference with E. Karasik and C. Pajak re legal authorities for investor-by-investor basis (.10); telephone conference with E. Karasik, C. Pajak, R. Charles and S. Freeman re committees' various stances on motion to distribute funds and levels of matching criteria required to permit distributions (.20); draft email memo to M. Levinson re same (.10); exchange emails with M. Levinson re possible distribution (.10); review K. Neureiter email re netting research (.10); telephone conference with K. Neureiter re same (.10); begin reviewing cases forwarded by K. Neureiter (.80); review R. Charles email memo re unsecured creditors' committee's position re distribution motion and email memo to M. Levinson re same, telephone conference with M. Levinson re same (.30). | 2.10 | 976.50 |
| 07/06/06 | L. Ernce | Telephone conference with M. Levinson, K. Neureiter and J. Hermann re strategy issues for responding to distribution motion, including possible substantive consolidation argument. | 0.40 | 186.00 |



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|----------|--------------|---|------|----------|
| 07/07/06 | M. Levinson | Email memorandum to B. Axelrod and A. Loraditch re upcoming call re the Lemons case, re substantive consolidation and re next steps (.10); conference call re the same and related strategic matters with the Diversified Committee professionals (1.60); telephone conversation with J. Hermann and K. Neureiter re the distribution motion (.10); very long telephone conversation with D. Tyukody re issues relating to the 2003 DTDF prospectus, and voicemail message to M. Tucker with D. Tyukody re the same (.50) | 2.30 | 1,288.00 |
| 07/07/06 | J. Hermann | Prepare for and participate in conference call with Diversified Committee professionals to analyze litigation strategy relating to possible claims for substantive consolidation, reclassification of putative ownership interests of direct lenders and issues bearing upon distribution motion to be filed today. | 1.60 | 912.00 |
| 07/07/06 | J. Hermann | Review and analysis of debtors' motion for distribution of funds and consideration and analysis of various bases for response/opposition to the same and review and analysis of file materials in connection with the same. | 1.80 | 1,026.00 |
| 07/07/06 | K. Neureiter | Review Lemons and Bonham cases per M. Levinson in preparation for call. | 1.40 | 525.00 |
| 07/07/06 | K. Neureiter | Participate on conference call with J. Hermann, M. Levinson, L. Ernce, A. Loraditch re distribution motion. | 1.50 | 562.50 |
| 07/07/06 | K. Neureiter | Begin review of motion to distribute funds. | 0.20 | 75.00 |
| 07/07/06 | K. Neureiter | Review emails with comments to motion to distribute funds. | 0.20 | 75.00 |
| 07/07/06 | D. Tyukody | Telephone conference with M. Levinson regarding misrepresentations in offering prospectus and potential causes of action; telephone conference to debtor's counsel in connection therewith. | 0.50 | 317.50 |



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|----------|--------------|--|------|----------|
| 07/07/06 | L. Ernce | Review draft distribution motion by debtors (.20); review emails from R. Charles with preliminary comments (.10); review email from First Trust Deed Fund counsel re substance comments to draft motion (.10) review finalized version and email memo to Diversified professionals re same (.20); research and review cases re substantive consolidation and other potential strategies for responding to debtors' distribution motion (1.80); exchange emails with Diversified professionals re debtors' distribution motion (.10); further review of cases and research (.90). | 3.40 | 1,581.00 |
| 07/07/06 | L. Ernce | Conference call with Diversified professionals to strategize re distribution motion. | 1.50 | 697.50 |
| 07/09/06 | M. Levinson | Review and analyze the motion to distribute funds, review the comments of counsel to the USA Mortgage Committee and of counsel to the First Trust Committee to the prior draft thereof and analysis re next steps in light of the motion and the points raised by the other two committees. | 1.20 | 672.00 |
| 07/10/06 | K. Neureiter | Review Shepard's report and all cases cited for Lemons case. | 1.30 | 487.50 |
| 07/10/06 | K. Neureiter | Review distribution motion and all exhibits. | 0.90 | 337.50 |
| 07/10/06 | M. Levinson | Long conference call with M. Tucker, C. Harvick, J. Hermann and L. Ernce re the distribution motion and related strategic and next steps options (.70); review the loan statistics as of April 12th distributed by S. Strong and telephone conversation with J. Hermann re the same and its impact on the distribution motion (.20). | 0.90 | 504.00 |
| 07/10/06 | D. Tyukody | Review materials prepared by S. Katz (.40); telephone conference with M. Levinson related thereto and telephone conference to S. Katz (.30). | 0.70 | 444.50 |
| 07/10/06 | L. Ernce | Review S. Strong email re status of mailing of investor statements and Mesirow report. | 0.20 | 93.00 |
| 07/10/06 | J. Hermann | Participate in conference call with Diversified Committee professionals regarding Lemons issues and substantive consolidation issues in connection with the debtors' distribution motion. | 0.70 | 399.00 |